

**Introduced by Senator Lowenthal**

February 23, 2007

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An act to amend Sections 50199.50 and 50199.55 of the Health and Safety Code, relating to housing.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 713, as introduced, Lowenthal. Farmworker housing assistance.

Existing law establishes a low-income housing tax credit program, administered by the California Tax Credit Allocation committee, which provides procedures and requirements for the allocation of state tax credit amounts among low-income housing projects based on federal law.

Existing law also establishes a farmworker housing assistance program and prescribes requirements for claiming tax credits under the program, including a requirement that expenditures upon which the amount of the credit is based shall be eligible costs, as defined, and a limitation on the amount of development fees that may be included as eligible costs.

This bill would revise the definition of "eligible costs" for purposes of the farmworker housing assistance program. It would also require the amount of development fees included as eligible costs under the farmworker housing assistance program to be consistent with the amount of development fees allowed for eligible costs under the low-income housing tax credit program.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 50199.50 of the Health and Safety Code is amended to read:

50199.50. For the purposes of this chapter, *the following terms shall have the following meanings:*

(a) “Agricultural worker” or “farmworker” shall have the same meaning as specified in subdivision (b) of Section 1140.4 of the Labor Code.

(b) “Compliance period” means, with respect to any farmworker housing, the period of 30 consecutive taxable or income years, beginning with the taxable or income year in which the credit is allowable.

(c) ~~“Eligible costs” means the total finance costs, construction costs, excavation costs, installation costs, and permit costs paid or incurred to construct or rehabilitate farmworker housing. “Eligible costs” include, but are not limited to, improvements to ensure compliance with laws governing access for persons with disabilities and costs related to reducing utility expenses. Noneligible costs include land and those costs financed by grants and below-market financing~~ shall have the same meaning as “eligible basis,” as defined in Section 42 of the Internal Revenue Code.

(d) “Farmworker housing” means housing for agricultural workers and may include, but need not be limited to, conventionally constructed units and manufactured housing.

(e) “Farmworker housing tax credits” means the tax credits authorized by Sections 17053.14, 23608.2, and 23608.3 of the Revenue and Taxation Code.

(f) “Household” has the same meaning as defined in Section 7602 of Title 25 of the California Code of Regulations.

(g) “Committee” means the California Tax Credit Allocation Committee as defined in Section 50199.7.

SEC. 2. Section 50199.55 of the Health and Safety Code is amended to read:

50199.55. (a) The committee shall allocate farmworker housing tax credits on a regular basis in each calendar year during which applications may be filed and considered. The committee shall establish application forms and instructions, application filing deadlines, and the approximate date on which allocations shall be made. As a condition of submitting an application, or as a condition

1 of receiving an allocation or reservation of tax credits, the  
2 committee may charge a fee to a tax credit applicant to defray the  
3 committee's costs in administering this chapter. In review of  
4 applications, the committee shall require the following criteria in  
5 order to ensure compliance with all provisions of this chapter:

6 (1) The project's proposed financing, including tax credit  
7 proceeds, shall be sufficient to complete the project.

8 (2) The proposed operating budget shall be adequate to operate  
9 the project for the compliance period.

10 (3) The recipient or owner shall have sufficient expertise and  
11 the financial capacity to ensure project completion and operation  
12 for the compliance period.

13 (4) The project shall have enforceable financing commitments,  
14 either construction or permanent financing, for at least 50 percent  
15 of the total estimated financing of the project.

16 (5) Development fees included in subdivision (c) of Section  
17 50199.52 shall not exceed a percentage of the total project cost,  
18 excluding land costs, prior to the inclusion of the fees in the total  
19 project cost, as determined by the committee. *The amount of*  
20 *development fees determined by the committee shall be consistent*  
21 *with the amount of development fees allowed by the committee*  
22 *under the low-income housing tax credit program (Chapter 3.6*  
23 *(commencing with Section 50199.4)).*

24 (b) Following approval, the committee shall issue a certificate  
25 to the taxpayer that states the total amount of the allocated tax  
26 credit to which the taxpayer is entitled for each income or taxable  
27 year.